



LINCOLN CHARTER TOWNSHIP

BERRIEN COUNTY, MICHIGAN

11-1120

FINANCIAL STATEMENTS

Year ended March 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name LINCOLN Charter Township	County BERRIEN
Audit Date MARCH 31, 2004	Opinion Date MAY 25, 2004	Date Accountant Report Submitted to State: OCTOBER 11, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised 2004.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) SCARPONE & Co., P.C.			
Street Address 20 N. Second St., P.O. Box 1146	City Niles	State MI	ZIP 49120
Accountant Signature James V. Scarpone, CPA			

**LINCOLN CHARTER TOWNSHIP
BERRIEN COUNTY, MICHIGAN**

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Year ended March 31, 2004

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LINCOLN CHARTER TOWNSHIP

BERRIEN COUNTY, MICHIGAN

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LINCOLN CHARTER TOWNSHIP

BERRIEN COUNTY, MICHIGAN

TOWNSHIP BOARD AND OFFICIALS

Kevin M. Gillette - Supervisor

Sharon Geisler - Clerk

Constance D. Sanders - Treasurer

Brian Jewell - Trustee

Al Pscholka - Trustee

Richard Stauffer - Trustee

William Stoub - Trustee



SCARPONE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

May 25, 2004

Members of the Township Board
Lincoln Charter Township
Berrien County, Michigan

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general purpose financial statements of Lincoln Charter Township as of March 31, 2004, and for the year then ended, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of Lincoln Charter Township. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Charter Township as of March 31, 2004, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining funds financial statements and individual fund schedules listed as other financial information in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Lincoln Charter Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

LINCOLN CHARTER TOWNSHIP

COMBINED BALANCE SHEETS

ALL FUND TYPES AND ACCOUNT GROUPS

March 31, 2004

Governmental Fund Types

<u>ASSETS</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash and cash equivalents	\$ 1,219,275	\$ 1,001,614	\$ 415,058	\$ 734,982
Taxes receivable	18,977	27,310	18,029	-
Accounts receivable and other	42,193	330	-	-
Special assessments receivable	-	-	-	6,718
Due from other governments	1,644	-	-	-
Due from other funds	40	2,000	-	6,477
Accrued interest receivable	-	-	-	-
Land and improvements	-	-	-	-
Building	-	-	-	-
Machinery and equipment	-	-	-	-
Vehicles	-	-	-	-
Furniture and fixtures	-	-	-	-
Sewer lines	-	-	-	-
Water mains	-	-	-	-
Accumulated depreciation	-	-	-	-
Amount available for the retirement of general long-term debt	-	-	-	-
Amount to be provided for the retirement of general long-term debt	-	-	-	-
TOTAL ASSETS	\$ 1,282,129	\$ 1,031,254	\$ 433,087	\$ 748,177
 <u>LIABILITIES AND FUND EQUITY</u>				
Accounts payable	\$ 18,938	\$ 14,270	\$ -	\$ -
Deposits	10,705	-	-	-
Due to other governments	-	-	-	-
Due to other funds	297	-	-	8,180
Payroll taxes, withholdings, and employee benefits	-	-	-	-
Deferred revenue	-	-	-	6,718
Note payable	-	-	-	-
Bonds payable	-	-	-	-
TOTAL LIABILITIES	29,940	14,270	-	14,898
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings	-	-	-	-
Fund balances	1,252,189	1,016,984	433,087	733,279
TOTAL FUND EQUITY	1,252,189	1,016,984	433,087	733,279
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 1,282,129	 \$ 1,031,254	 \$ 433,087	 \$ 748,177

See accompanying notes to general purpose financial statements.

Proprietary Fund Types	Fiduciary Fund Type	Account Groups		Totals	
		General	General	(Memorandum Only)	
		Fixed	Long-Term	2004	2003
Enterprise	Agency Funds	Assets	Debt		
\$ 8,897,421	\$ 398	\$ -	\$ -	\$ 12,268,748	\$ 11,240,533
2,649	-	-	-	66,965	85,182
-	-	-	-	42,523	32,968
24,060	-	-	-	30,778	49,378
-	-	-	-	1,644	241,888
-	-	-	-	8,517	19,998
419	-	-	-	419	788
-	-	1,802,736	-	1,802,736	1,534,278
-	-	2,649,932	-	2,649,932	2,648,232
321,018	-	250,834	-	571,852	523,474
-	-	428,054	-	428,054	376,326
-	-	516,712	-	516,712	461,504
27,490,137	-	-	-	27,490,137	27,490,137
8,232,556	-	-	-	8,232,556	8,139,693
(20,407,340)	-	-	-	(20,407,340)	(19,470,972)
-	-	-	433,087	433,087	370,687
-	-	-	3,028,913	3,028,913	3,198,313
<u>\$ 24,560,920</u>	<u>\$ 398</u>	<u>\$ 5,648,268</u>	<u>\$ 3,462,000</u>	<u>\$ 37,166,233</u>	<u>\$ 36,942,407</u>
\$ 46,888	\$ -	\$ -	\$ -	\$ 80,096	\$ 78,541
-	-	-	-	10,705	6,000
-	231	-	-	231	-
-	40	-	-	8,517	19,998
-	127	-	-	127	-
-	-	-	-	6,718	8,957
-	-	-	187,000	187,000	144,000
-	-	-	3,275,000	3,275,000	3,425,000
<u>46,888</u>	<u>398</u>	<u>-</u>	<u>3,462,000</u>	<u>3,568,394</u>	<u>3,682,496</u>
-	-	5,648,268	-	5,648,268	5,278,623
7,570,106	-	-	-	7,570,106	7,773,399
16,943,926	-	-	-	16,943,926	16,960,559
-	-	-	-	3,435,539	3,247,330
<u>24,514,032</u>	<u>-</u>	<u>5,648,268</u>	<u>-</u>	<u>33,597,839</u>	<u>33,259,911</u>
<u>\$ 24,560,920</u>	<u>\$ 398</u>	<u>\$ 5,648,268</u>	<u>\$ 3,462,000</u>	<u>\$ 37,166,233</u>	<u>\$ 36,942,407</u>

LINCOLN CHARTER TOWNSHIP

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year ended March 31, 2004

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Services</u>
REVENUES:			
Property and other taxes	\$ 367,653	\$ 677,939	\$ 476,540
Administration fees	137,201	-	-
Licenses and permits	2,180	362,046	-
State sources	961,450	2,388	-
Cable franchise	105,615	-	-
Assessments	-	-	-
Interest	14,214	2,950	418
Charges for service	6,241	60,111	-
Lot sales	-	23,400	-
Donations	50	1,254	-
Miscellaneous	41,182	34,601	-
	<u>1,635,786</u>	<u>1,164,689</u>	<u>476,958</u>
EXPENDITURES:			
General government	748,388	326,246	-
Public safety	141,209	943,098	-
Highways and streets	87,133	31,566	-
Sanitation and health	76,736	71,755	-
Recreation	-	111,973	-
Capital projects	-	-	-
Debt service	-	-	414,558
	<u>1,053,466</u>	<u>1,484,638</u>	<u>414,558</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>582,320</u>	<u>(319,949)</u>	<u>62,400</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from bank borrowing	-	-	-
Operating transfers in	14,425	391,270	-
Operating transfers out	(578,270)	(9,419)	-
	<u>(563,845)</u>	<u>381,851</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>18,475</u>	<u>61,902</u>	<u>62,400</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,233,714</u>	<u>955,082</u>	<u>370,687</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,252,189</u>	<u>\$ 1,016,984</u>	<u>\$ 433,087</u>

See accompanying notes to general purpose financial statements.

	<u>Totals</u>	
<u>Capital</u>	<u>(Memorandum Only)</u>	
<u>Projects</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ 1,522,132	\$ 1,434,651
-	137,201	140,629
-	364,226	306,085
-	963,838	1,059,700
-	105,615	81,781
2,239	2,239	108,632
5,544	23,126	40,408
-	66,352	79,356
-	23,400	23,850
8,595	9,899	8,410
-	75,783	43,951
16,378	3,293,811	3,327,453
-	1,074,634	997,903
-	1,084,307	994,187
-	118,699	118,357
-	148,491	125,847
-	111,973	116,751
302,940	302,940	331,793
-	414,558	414,416
302,940	3,255,602	3,099,254
(286,562)	38,209	228,199
150,000	150,000	-
187,000	592,695	559,587
(5,006)	(592,695)	(559,587)
331,994	150,000	-
45,432	188,209	228,199
687,847	3,247,330	3,019,131
\$ 733,279	\$ 3,435,539	\$ 3,247,330

LINCOLN CHARTER TOWNSHIP

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL, SPECIAL REVENUE AND CAPITAL PROJECTS FUNDS

Year ended March 31, 2004

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES:			
Property and other taxes	\$ 362,450	\$ 367,653	\$ 5,203
Administration fees	140,500	137,201	(3,299)
Licenses and permits	1,080	2,180	1,100
State sources	1,025,000	961,450	(63,550)
Cable franchise	98,000	105,615	7,615
Assessments	-	-	-
Interest	20,000	14,214	(5,786)
Charges for service	4,175	6,241	2,066
Lot sales	-	-	-
Donations	-	50	50
Miscellaneous	13,025	41,182	28,157
	<u>1,664,230</u>	<u>1,635,786</u>	<u>(28,444)</u>
EXPENDITURES:			
General government	793,495	748,388	(45,107)
Public safety	174,545	141,209	(33,336)
Highways and streets	104,745	87,133	(17,612)
Sanitation and health	70,060	76,736	6,676
Recreation	-	-	-
Capital projects	-	-	-
	<u>1,142,845</u>	<u>1,053,466</u>	<u>(89,379)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>521,385</u>	<u>582,320</u>	<u>60,935</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from bank borrowing	-	-	-
Operating transfers in	13,940	14,425	485
Operating transfers out	(578,270)	(578,270)	-
	<u>(564,330)</u>	<u>(563,845)</u>	<u>485</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(42,945)</u>	<u>18,475</u>	<u>61,420</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,233,714</u>	<u>1,233,714</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,190,769</u>	<u>\$ 1,252,189</u>	<u>\$ 61,420</u>

See accompanying notes to general purpose financial statements.

Special Revenue FundsCapital Projects Funds

<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
\$ 673,600	\$ 677,939	\$ 4,339	\$ -	\$ -	\$ -
-	362,046	362,046	-	-	-
356,500	-	-	-	-	-
2,000	2,388	388	-	-	-
-	-	-	-	-	-
-	-	-	-	2,239	2,239
7,640	2,950	(4,690)	358	5,544	5,186
73,405	60,111	(13,294)	-	-	-
17,000	23,400	6,400	-	-	-
-	1,254	1,254	13,000	8,595	(4,405)
21,000	34,601	13,601	-	-	-
<u>1,151,145</u>	<u>1,164,689</u>	<u>13,544</u>	<u>13,358</u>	<u>16,378</u>	<u>3,020</u>
329,930	326,246	(3,684)	-	-	-
958,565	943,098	(15,467)	-	-	-
34,640	31,566	(3,074)	-	-	-
75,000	71,755	(3,245)	-	-	-
120,855	111,973	(8,882)	-	-	-
-	-	-	375,550	302,940	(72,610)
<u>1,518,990</u>	<u>1,484,638</u>	<u>(34,352)</u>	<u>375,550</u>	<u>302,940</u>	<u>(72,610)</u>
<u>(367,845)</u>	<u>(319,949)</u>	<u>47,896</u>	<u>(362,192)</u>	<u>(286,562)</u>	<u>75,630</u>
-	-	-	150,000	150,000	-
391,270	391,270	-	187,000	187,000	-
(8,940)	(9,419)	(485)	(5,000)	(5,006)	(6)
<u>382,330</u>	<u>381,851</u>	<u>(17,515)</u>	<u>332,000</u>	<u>331,994</u>	<u>(6)</u>
14,485	61,902	47,417	(30,192)	45,432	75,624
955,082	955,082	-	687,847	687,847	-
<u>\$ 969,567</u>	<u>\$ 1,016,984</u>	<u>\$ 47,417</u>	<u>\$ 657,655</u>	<u>\$ 733,279</u>	<u>\$ 75,624</u>

LINCOLN CHARTER TOWNSHIP

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL

ENTERPRISE FUNDS

Year ended March 31, 2004

			Over (Under) <u>Budget</u>	<u>2003</u> Total (Memorandum Only)
REVENUES:	<u>Budget</u>	<u>Actual</u>		
Charges for service	\$ 1,278,550	\$ 1,448,879	\$ 170,329	\$ 1,474,403
Interest and penalties on taxes and special assessments	2,000	2,366	366	6,576
Interest	100,000	98,384	(1,616)	126,658
Benefit fees	2,000	86,175	84,175	25,340
Miscellaneous	25,000	27,137	2,137	25,389
	<u>1,407,550</u>	<u>1,662,941</u>	<u>255,391</u>	<u>1,658,366</u>
EXPENSES:				
Cost of service	898,495	689,288	(209,207)	721,172
Contracted services	23,100	19,870	(3,230)	47,240
Professional fees	12,000	22,932	10,932	33,509
Depreciation	970,000	936,368	(33,632)	926,069
Salaries and wages	91,750	94,878	3,128	89,630
Payroll taxes and employee benefits	32,885	31,436	(1,449)	34,296
Repairs and maintenance	153,530	30,365	(123,165)	152,400
Utilities	15,850	15,179	(671)	14,475
Insurance	21,130	20,931	(199)	16,163
Office supplies and postage	13,280	8,652	(4,628)	9,520
Miscellaneous	150	12,968	12,818	3,403
	<u>2,232,170</u>	<u>1,882,867</u>	<u>(349,303)</u>	<u>2,047,877</u>
NET INCOME	(824,620)	(219,926)	604,694	(389,511)
Depreciation on fixed assets acquired by contributed capital	-	203,293	203,293	203,293
NET CHANGE IN RETAINED EARNINGS	(824,620)	(16,633)	807,987	(186,218)
RETAINED EARNINGS, BEGINNING OF YEAR	<u>16,960,559</u>	<u>16,960,559</u>	-	<u>17,146,777</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 16,135,939</u>	<u>\$ 16,943,926</u>	<u>\$ 807,987</u>	<u>\$ 16,960,559</u>

See accompanying notes to general purpose financial statements.

LINCOLN CHARTER TOWNSHIP
COMBINED STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

Year ended March 31, 2004

	<u>2004</u>	Total (Memorandum Only) <u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (219,926)	\$ (389,511)
Adjustments to reconcile net income to net cash provided from (used by) operating activities:		
Depreciation	936,368	926,069
Changes in assets and liabilities:		
Decrease in taxes receivable	4,285	313
Decrease in special assessments receivable	13,988	74,499
Decrease (increase) in due from other governments	240,000	(40,000)
Decrease in accrued interest receivable	235	1,346
Increase in accounts payable	10,865	1,341
	<u>985,815</u>	<u>574,057</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	<u>(148,690)</u>	<u>(367,910)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributed capital	<u>-</u>	<u>287,749</u>
INCREASE IN CASH AND CASH EQUIVALENTS	837,125	493,896
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,060,296</u>	<u>7,566,400</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>8,897,421</u>	\$ <u>8,060,296</u>

See accompanying notes to general purpose financial statements.

LINCOLN CHARTER TOWNSHIP

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Year ended March 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principals as applied to governmental units. The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The general purpose financial statements include all operations of the Township.

FUND ACCOUNTING:

The accounts of the Township are organized into funds or account groups; each of which is considered to be a separate accounting entity. The following funds and account groups are used in accounting for the financial operations of Lincoln Charter Township:

Governmental Fund Types - Governmental funds are those funds through which governmental functions of the Township are financed.

General Fund - The General Fund accounts for all revenues and expenditures of the Township which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, other local taxes, license permits and fees, and revenues from the State.

Special Revenue Funds - The Special Revenue Funds account for the revenues and expenditures related to particular functions or activities of the Township as required by statute or local ordinance and the revenues and expenditures related to state and federal grants.

Capital Projects Funds - The Capital Projects Funds account for the financial resources to be used for the acquisition of major capital expenditures, other than those financed by the Enterprise Funds.

Debt Service Funds - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Enterprise Fund Types - The Enterprise Funds account for Township operations that are financed and operated in a manner similar to private business enterprise, where the intent of the Township board is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types - Agency Funds - The Agency Funds account for assets held by the Township as trustee for other government entities and certain Township funds related to tax collection and payroll withholding monies.

LINCOLN CHARTER TOWNSHIP

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

Account Groups - The Account Groups are used to account for the Township's general fixed assets and long-term liabilities which are not accounted for in the respective governmental funds.

BASIS OF ACCOUNTING:

The Township uses the modified accrual basis of accounting for governmental fund types and fiduciary fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for bond principal and interest payments which are reported as expenditures in the year due.

The accrual basis of accounting is followed for the Enterprise Funds. Under this method of accounting, revenues are recognized when earned and expenses are recorded as liabilities when incurred.

BUDGETS AND BUDGETARY ACCOUNTING:

The Township Board follows the following procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. Prior to March 31, proposed operating budgets by fund are submitted to the Township Board for the fiscal year commencing April 1.
2. A public hearing is conducted to obtain taxpayer comments.
3. The operating budgets are legally enacted through passage of a board resolution.
4. Any budget revisions must be approved by the Township Board.
5. Budgets are adopted for the respective fund types using the basis of accounting described above.

COMPENSATING ABSENCES:

The Township's personnel policies do not permit the accumulation and carryforward of vacation and sick days. Accordingly, no accrual has been recorded by the Township at March 31, 2004 for compensated absences, since such amounts are not material.

LINCOLN CHARTER TOWNSHIP

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are recorded at cost and include cash investments with original maturities of three months or less.

INVESTMENTS:

Investments are recorded at cost which approximates market value:

The types of investments authorized by resolution of the Board are as follows:

Bonds, securities and other obligations of the United States, or an agency of the United States, the principal and interest of which are fully guaranteed by the United States.

Certificates of deposit, savings accounts, deposits accounts or depository receipts of banks, savings and loan associations, or credit unions which are insured and which meet all criteria as a depository of public funds.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and maturing no more than 270 days after date of purchase.

United States government or federal agency obligation repurchase agreements.

Bankers' acceptances of United States banks.

Investment pools organized under the surplus funds investment pool act, 1982, PA 367, 129.111 to 129.118.

Mutual funds registered under the investment company act of 1940, title I of chapter 686.

LINCOLN CHARTER TOWNSHIP

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONCLUDED:

ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

TAX INFORMATION:

The Township property tax is levied each December 1, based on the state taxable valuation of property located in the Township as of the preceding December 31.

The Township's policy is to recognize revenues from the current tax levy in the year of levy.

The 2003 state taxable value of Lincoln Charter Township amounted to approximately \$442,000,000 on which ad valorem taxes levied for Township operating purposes consisted of .79290 mills or approximately \$351,000. Additionally, taxes levied for police operations consisted of 1.48650 mills or approximately \$658,000, and debt retirement consisted of 1.04500 mills or approximately \$462,000.

FINANCIAL STATEMENT PRESENTATION:

The general purpose financial statements of fund types and account groups include a "Totals - Memorandum Only" column. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

FIXED ASSETS:

General fixed assets purchased are recorded as expenditures in the applicable funds at the time of purchase. Such assets are capitalized at cost (estimated cost for certain asset purchases prior to March 31, 1971) in the General Fixed Assets Group of Accounts, except for roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems.

No depreciation on the general fixed assets has been provided.

Depreciation on the fixed assets of the Enterprise Funds is computed under the straight-line method based upon the estimated useful lives of the applicable assets. Depreciation attributable to fixed assets purchased with federal and state grants is shown as a reduction of contributed capital.

LINCOLN CHARTER TOWNSHIP

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2004

NOTE B - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consisted of the following at March 31, 2004:

Deposits in financial institutions:

Cash \$ 12,268,248

Petty cash 500

\$ 12,268,748

The above deposits in financial institutions of \$12,268,248 were reflected in the accounts of the Township's financial institutions (without recognition of checks written but not yet cleared, or of deposits in transit) at \$12,062,012. Of this amount, approximately \$500,000 was covered by federal depository insurance coverage and \$11,562,012 was uninsured and uncollateralized.

NOTE C - CHANGES IN GENERAL FIXED ASSETS:

The following is a summary of the changes in general fixed assets for the year ended March 31, 2004:

	Balance March 31, <u>2003</u>	<u>Additions</u>	<u>Dispositions</u>	Balance March 31, <u>2004</u>
Land and improvements	\$ 1,534,278	\$ 268,458	\$ -	\$ 1,802,736
Buildings	2,648,232	1,700	-	2,649,932
Machinery and equipment	258,283	6,883	14,332	250,834
Vehicles	376,326	51,728	-	428,054
Furniture and fixtures	461,504	55,208	-	516,712
	<u>\$ 5,278,623</u>	<u>\$ 383,977</u>	<u>\$ 14,332</u>	<u>\$ 5,648,268</u>

LINCOLN CHARTER TOWNSHIP

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2004

NOTE D - GENERAL LONG-TERM DEBT:

General long-term debt consisted of the following at March 31, 2004:

5.85% municipal purchase contract payable to Chemical Shoreline Bank, payable in annual installments of \$60,000 plus interest, final payment due April, 2005	\$ 37,000
1.7% - 3.2% municipal purchase contract payable to Horizon Bank, payable in annual installments of \$30,000 plus interest, final payment due November, 2008	150,000
4.6% - 5.3% Unlimited Tax General Obligation Fire Station Bonds, with annual principal payments of \$75,000 to \$150,000 and semi-annual interest payments, final maturity May, 2012	925,000
4.0% - 4.3% Unlimited Tax General Obligation Library Bonds, with annual principal payments of \$125,000 to \$325,000 and semi-annual interest payments, final maturity May, 2014	2,350,000
	<u>\$ 3,462,000</u>

The principal reductions of general long-term debt for each of the next five years ending March 31, are as follows:

2005	\$ 267,000
2006	255,000
2007	255,000
2008	305,000
2009	330,000
Thereafter	2,050,000
	<u>\$ 3,462,000</u>

The following is a summary of the changes in general long-term debt for the year ended March 31, 2004:

	Balance March 31, 2003	Additions	Deductions	Balance March 31, 2004
Bonds payable	\$ 3,425,000	\$ -	\$ 150,000	\$ 3,275,000
Notes payable	144,000	150,000	107,000	187,000
	<u>\$ 3,569,000</u>	<u>\$ 150,000</u>	<u>\$ 257,000</u>	<u>\$ 3,462,000</u>

LINCOLN CHARTER TOWNSHIP

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONCLUDED

Year ended March 31, 2004

NOTE E - EMPLOYEE BENEFIT PLAN:

The Township has a contributory pension plan covering substantially all employees. The plan is administered by Burnham & Flower Agency, Inc. Contributions are accrued and funded on a current basis. Employee rights are vested at the time of contribution. Employer pension expenditures amounted to \$131,665 for the year ended March 31, 2004.

NOTE F - SEGMENT INFORMATION - ENTERPRISE FUNDS:

The Township maintains two Enterprise Funds which are intended to be self-supporting through user fees charges for services to the general public. Financial segment information as of and for the year ended March 31, 2004 is presented below:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating revenue	\$ 956,922	\$ 706,019	\$ 1,662,941
Depreciation expense	728,534	207,834	936,368
Net income (loss)	(613,040)	393,114	(219,926)
Current capital contributions	-	-	-
Fixed asset additions	50,459	98,231	148,690
Net working capital	3,249,230	5,628,431	8,877,661
Total assets	14,968,150	9,592,770	24,560,920
Total equity	14,921,822	9,592,210	24,514,032

OTHER FINANCIAL INFORMATION

LINCOLN CHARTER TOWNSHIP

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEETS

March 31, 2004

	<u>Parks</u>	<u>Cemetery</u>	<u>Police</u>	<u>Street Lighting</u>	<u>Building</u>	<u>Total</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 7,936	\$ 82,009	\$ 752,357	\$ 46,759	\$ 112,553	\$ 1,001,614
Taxes receivable	-	-	26,811	499	-	27,310
Accounts receivable	-	-	330	-	-	330
Due from other funds	2,000	-	-	-	-	2,000
TOTAL ASSETS	\$ 9,936	\$ 82,009	\$ 779,498	\$ 47,258	\$ 112,553	\$ 1,031,254

LIABILITIES AND FUND EQUITY

LIABILITIES:						
Accounts payable	\$ 4,583	\$ 42	\$ 5,958	\$ -	\$ 3,687	\$ 14,270
FUND EQUITY						
Fund Balances	5,353	81,967	773,540	47,258	108,866	1,016,984
TOTAL LIABILITIES AND FUND EQUITY	\$ 9,936	\$ 82,009	\$ 779,498	\$ 47,258	\$ 112,553	\$ 1,031,254

LINCOLN CHARTER TOWNSHIP

SPECIAL REVENUE FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

Year ended March 31, 2004

	<u>Parks</u>		<u>Cemetery</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
State sources	-	-	-	-
Interest	350	73	500	201
Charges for service	9,360	1,800	17,000	19,575
Lot sales	-	-	17,000	23,400
Donations	-	-	-	-
Miscellaneous	-	-	-	57
TOTAL REVENUES	<u>9,710</u>	<u>1,873</u>	<u>34,500</u>	<u>43,233</u>
EXPENDITURES:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation and health	-	-	75,000	71,755
Recreation	120,855	111,973	-	-
TOTAL EXPENDITURES	<u>120,855</u>	<u>111,973</u>	<u>75,000</u>	<u>71,755</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(111,145)</u>	<u>(110,100)</u>	<u>(40,500)</u>	<u>(28,522)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	111,145	111,145	30,000	30,000
Operating transfers out	-	-	-	-
	<u>111,145</u>	<u>111,145</u>	<u>30,000</u>	<u>30,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	1,045	(10,500)	1,478
FUND BALANCES, BEGINNING OF YEAR	<u>4,308</u>	<u>4,308</u>	<u>80,489</u>	<u>80,489</u>
FUND BALANCES, END OF YEAR	\$ <u>4,308</u>	\$ <u>5,353</u>	\$ <u>69,989</u>	\$ <u>81,967</u>

<u>Police</u>		<u>Street Lighting</u>		<u>Building</u>		<u>Totals</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ 673,600	\$ 677,939	\$ -	\$ -	\$ -	\$ -	\$ 673,600	\$ 677,939
4,900	5,010	-	-	351,600	357,036	356,500	362,046
2,000	2,388	-	-	-	-	2,000	2,388
5,100	2,168	690	138	1,000	370	7,640	2,950
2,200	2,139	34,445	31,839	10,400	4,758	73,405	60,111
-	-	-	-	-	-	17,000	23,400
-	1,254	-	-	-	-	-	1,254
21,000	24,071	-	-	-	10,473	21,000	34,601
708,800	714,969	35,135	31,977	363,000	372,637	1,151,145	1,164,689
-	-	-	-	329,930	326,246	329,930	326,246
958,565	943,098	-	-	-	-	958,565	943,098
-	-	34,640	31,566	-	-	34,640	31,566
-	-	-	-	-	-	75,000	71,755
-	-	-	-	-	-	120,855	111,973
958,565	943,098	34,640	31,566	329,930	326,246	1,518,990	1,484,638
(249,765)	(228,129)	495	411	33,070	46,391	(367,845)	(319,949)
250,125	250,125	-	-	-	-	391,270	391,270
-	-	-	-	(8,940)	(9,419)	(8,940)	(9,419)
250,125	250,125	-	-	(8,940)	(9,419)	382,330	381,851
360	21,996	495	411	24,130	36,972	14,485	61,902
751,544	751,544	46,847	46,847	71,894	71,894	955,082	955,082
\$ 751,904	\$ 773,540	\$ 47,342	\$ 47,258	\$ 96,024	\$ 108,866	\$ 969,567	\$ 1,016,984

LINCOLN CHARTER TOWNSHIP

DEBT SERVICE FUNDS

COMBINING BALANCE SHEETS

March 31, 2004

	<u>Fire Station</u>	<u>Police Installment</u>	<u>Library Bond</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 147,590	\$ 233	\$ 267,235	\$ 415,058
Taxes receivable	4,855	4,440	8,734	18,029
TOTAL ASSETS	<u>\$ 152,445</u>	<u>\$ 4,673</u>	<u>\$ 275,969</u>	<u>\$ 433,087</u>
<u>FUND EQUITY</u>				
FUND EQUITY				
Fund Balances	<u>\$ 152,445</u>	<u>\$ 4,673</u>	<u>\$ 275,969</u>	<u>\$ 433,087</u>

LINCOLN CHARTER TOWNSHIP

DEBT SERVICE FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

Year ended March 31, 2004

	<u>Fire Station</u>	<u>Police Installment</u>	<u>Library Bond</u>	<u>Total</u>
REVENUES:				
Tax sources	\$ 125,398	\$ 113,998	\$ 237,144	\$ 476,540
Interest	167	23	228	418
TOTAL REVENUES	<u>125,565</u>	<u>114,021</u>	<u>237,372</u>	<u>476,958</u>
EXPENDITURES:				
Municipal purchase contract payments	-	107,000	-	107,000
Bond principal payments	50,000	-	100,000	150,000
Interest	47,450	8,564	100,894	156,908
Other	350	-	300	650
TOTAL EXPENDITURES	<u>97,800</u>	<u>115,564</u>	<u>201,194</u>	<u>414,558</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>27,765</u>	<u>(1,543)</u>	<u>36,178</u>	<u>62,400</u>
FUND BALANCES, BEGINNING OF YEAR	<u>124,680</u>	<u>6,216</u>	<u>239,791</u>	<u>370,687</u>
FUND BALANCES, END OF YEAR	<u>\$ 152,445</u>	<u>\$ 4,673</u>	<u>\$ 275,969</u>	<u>\$ 433,087</u>

LINCOLN CHARTER TOWNSHIP

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEETS

March 31, 2004

	<u>Parks Capital Improvement</u>	<u>Township Improvement</u>	<u>Police Capital Improvement</u>	<u>Cleveland Ave. Special Assessment</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 22,680	\$ 703,842	\$ 8,460	\$ -	\$ 734,982
Special assessment receivable	-	-	-	6,718	6,718
Due from other funds	-	6,477	-	-	6,477
	<u>\$ 22,680</u>	<u>\$ 710,319</u>	<u>\$ 8,460</u>	<u>\$ 6,718</u>	<u>\$ 748,177</u>
<u>LIABILITIES AND FUND EQUITY</u>					
LIABILITIES:					
Deferred revenue	\$ -	\$ -	\$ -	\$ 6,718	\$ 6,718
Due to other funds	2,000	-	-	6,180	8,180
	2,000	-	-	12,898	14,898
FUND EQUITY:					
Fund balances	20,680	710,319	8,460	(6,180)	733,279
	<u>\$ 22,680</u>	<u>\$ 710,319</u>	<u>\$ 8,460</u>	<u>\$ 6,718</u>	<u>\$ 748,177</u>

LINCOLN CHARTER TOWNSHIP

CAPITAL PROJECTS FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

Year ended March 31, 2004

	<u>Parks Capital Improvement</u>		<u>Township Improvement</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Donations	13,000	8,595	-	-
Interest	258	97	-	5,006
TOTAL REVENUES	13,258	8,692	-	5,006
EXPENDITURES:				
Capital projects	43,250	30,177	301,700	245,337
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,992)	(21,485)	(301,700)	(240,331)
OTHER FINANCING SOURCES (USES):				
Proceeds from loan	-	-	150,000	150,000
Operating transfers in	30,000	30,000	142,000	142,000
Operating transfers out	-	-	(5,000)	(5,006)
TOTAL OTHER FINANCING SOURCES (USES)	30,000	30,000	287,000	286,994
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	8	8,515	(14,700)	46,663
FUND BALANCES, BEGINNING OF YEAR	12,165	12,165	663,656	663,656
FUND BALANCES, END OF YEAR	\$ 12,173	\$ 20,680	\$ 648,956	\$ 710,319

Police Capital Improvement		Cleveland Ave. Special Assessment		Totals	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ -	\$ -	\$ -	\$ 2,239	\$ -	\$ 2,239
-	-	-	-	13,000	8,595
100	37	-	404	358	5,544
100	37	-	2,643	13,358	16,378
30,000	27,426	600	-	375,550	302,940
(29,900)	(27,389)	(600)	2,643	(362,192)	(286,562)
-	-	-	-	150,000	150,000
15,000	15,000	-	-	187,000	187,000
-	-	-	-	(5,000)	(5,006)
15,000	15,000	-	-	332,000	331,994
(14,900)	(12,389)	(600)	2,643	(30,192)	45,432
20,849	20,849	(8,823)	(8,823)	687,847	687,847
\$ 5,949	\$ 8,460	\$ (9,423)	\$ (6,180)	\$ 657,655	\$ 733,279

LINCOLN CHARTER TOWNSHIP

ENTERPRISE FUNDS

COMBINING BALANCE SHEETS

March 31, 2004

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,292,717	\$ 5,604,704	\$ 8,897,421
Taxes receivable	2,435	214	2,649
Special assessments receivable	400	23,660	24,060
Accrued interest receivable	6	413	419
	<u>3,295,558</u>	<u>5,628,991</u>	<u>8,924,549</u>
Fixed assets:			
Sewer lines	27,490,137	-	27,490,137
Water mains	-	8,232,556	8,232,556
Equipment	306,912	14,106	321,018
	<u>27,797,049</u>	<u>8,246,662</u>	<u>36,043,711</u>
Less, accumulated depreciation	<u>(16,124,457)</u>	<u>(4,282,883)</u>	<u>(20,407,340)</u>
	<u>11,672,592</u>	<u>3,963,779</u>	<u>15,636,371</u>
TOTAL ASSETS	\$ <u>14,968,150</u>	\$ <u>9,592,770</u>	\$ <u>24,560,920</u>
<u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES:			
Accounts payable	\$ <u>46,328</u>	\$ <u>560</u>	\$ <u>46,888</u>
FUND EQUITY:			
Contributed capital	5,124,665	2,445,441	7,570,106
Retained earnings	<u>9,797,157</u>	<u>7,146,769</u>	<u>16,943,926</u>
TOTAL FUND EQUITY	<u>14,921,822</u>	<u>9,592,210</u>	<u>24,514,032</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>14,968,150</u>	\$ <u>9,592,770</u>	\$ <u>24,560,920</u>

LINCOLN CHARTER TOWNSHIP

ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL

Year ended March 31, 2004

	<u>Sewer Fund</u>		<u>Water Fund</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Charges for service	\$ 926,400	\$ 892,744	\$ 352,150	\$ 556,135
Interest and penalties on taxes and special assessments	1,000	48	1,000	2,318
Interest	36,000	30,953	64,000	67,431
Benefit fees	2,000	31,040	-	55,135
Miscellaneous	-	2,137	25,000	25,000
TOTAL REVENUES	<u>965,400</u>	<u>956,922</u>	<u>442,150</u>	<u>706,019</u>
EXPENSES:				
Cost of service	857,610	648,405	40,885	40,883
Contracted services	8,100	11,248	15,000	8,622
Professional fees	4,000	4,652	8,000	18,280
Depreciation	750,000	728,534	220,000	207,834
Salaries and wages	80,160	79,148	11,590	15,730
Payroll taxes and employee benefits	30,535	28,976	2,350	2,460
Repairs and maintenance	103,530	21,582	50,000	8,783
Utilities	14,870	13,991	980	1,188
Insurance	13,630	13,343	7,500	7,588
Office supplies and postage	11,005	7,559	2,275	1,093
Miscellaneous	125	12,524	25	444
TOTAL EXPENSES	<u>1,873,565</u>	<u>1,569,962</u>	<u>358,605</u>	<u>312,905</u>
NET INCOME (LOSS)	<u>(908,165)</u>	<u>(613,040)</u>	<u>83,545</u>	<u>393,114</u>
Depreciation on fixed assets acquired by contributed capital	-	203,293	-	-
NET CHANGE IN RETAINED EARNINGS	<u>(908,165)</u>	<u>(409,747)</u>	<u>83,545</u>	<u>393,114</u>
RETAINED EARNINGS, BEGINNING OF YEAR	<u>10,206,904</u>	<u>10,206,904</u>	<u>6,753,655</u>	<u>6,753,655</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 9,298,739</u>	<u>\$ 9,797,157</u>	<u>\$ 6,837,200</u>	<u>\$ 7,146,769</u>

	<u>Budget</u>	<u>Totals</u> <u>Actual</u>
\$	1,278,550	\$ 1,448,879
	2,000	2,366
	100,000	98,384
	2,000	86,175
	25,000	27,137
	<u>1,407,550</u>	<u>1,662,941</u>
	898,495	689,288
	23,100	19,870
	12,000	22,932
	970,000	936,368
	91,750	94,878
	32,885	31,436
	153,530	30,365
	15,850	15,179
	21,130	20,931
	13,280	8,652
	150	12,968
	<u>2,232,170</u>	<u>1,882,867</u>
	(824,620)	(219,926)
	-	203,293
	<u>(824,620)</u>	<u>(16,633)</u>
	16,960,559	16,960,559
\$	<u>16,135,939</u>	<u>\$ 16,943,926</u>

LINCOLN CHARTER TOWNSHIP

ENTERPRISE FUNDS

COMBINING STATEMENTS OF CASH FLOWS

Year ended March 31, 2004

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (613,040)	\$ 393,114	\$ (219,926)
Adjustments to reconcile net income (loss) to net cash provided from (used by) operating activities:			
Depreciation	728,534	207,834	936,368
Changes in assets and liabilities:			
Decrease in taxes receivable	1,217	3,068	4,285
Decrease in special assessments receivable	1,250	12,738	13,988
Decrease in due from other governments	240,000	-	240,000
Decrease in accrued interest receivable	8	227	235
Increase (decrease) in accounts payable	11,627	(762)	10,865
	<u>369,596</u>	<u>616,219</u>	<u>985,815</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of fixed assets	<u>(50,459)</u>	<u>(98,231)</u>	<u>(148,690)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Contributed capital	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE IN CASH AND CASH EQUIVALENTS	319,137	517,988	837,125
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,973,580</u>	<u>5,086,716</u>	<u>8,060,296</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,292,717</u>	<u>\$ 5,604,704</u>	<u>\$ 8,897,421</u>

LINCOLN CHARTER TOWNSHIP

AGENCY FUNDS

COMBINING BALANCE SHEETS

March 31, 2004

	<u>Trust and</u>	<u>Tax</u>	
	<u>Agency Fund</u>	<u>Collection</u>	<u>Total</u>
		<u>Fund</u>	
<u>ASSETS</u>			
Cash and cash equivalents	\$ <u>358</u>	\$ <u>40</u>	\$ <u>398</u>

LIABILITIES

Due to other funds	\$ -	\$ 40	\$ 40
Due to other governments	231	-	231
Payroll taxes, withholdings, and employee benefits	<u>127</u>	<u>-</u>	<u>127</u>
	\$ <u>358</u>	\$ <u>40</u>	\$ <u>398</u>

LINCOLN CHARTER TOWNSHIP

AGENCY FUNDS

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES

Year ended March 31, 2004

TRUST AND AGENCY FUND

	Balance March 31, <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2004</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 775,506	\$ 775,148	\$ 358
 <u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 102,938	\$ 102,938	\$ -
Due to other funds	-	94,082	94,082	-
Due to other governments	-	48,280	48,049	231
Payroll taxes, withholdings, and employee benefits	-	530,206	530,079	127
	\$ -	\$ 775,506	\$ 775,148	\$ 358

TAX COLLECTION FUND

	Balance March 31, <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2004</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 16	\$ 13,675,747	\$ 13,675,723	\$ 40
 <u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 42,312	\$ 42,312	\$ -
Due to other funds	16	1,654,756	1,654,732	40
Due to other governments	-	11,978,679	11,978,679	-
	\$ 16	\$ 13,675,747	\$ 13,675,723	\$ 40

LINCOLN CHARTER TOWNSHIP

AGENCY FUNDS

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - CONCLUDED

Year ended March 31, 2004

TOTALS - AGENCY FUNDS

	Balance March 31, <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2004</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ <u>16</u>	\$ <u>14,451,253</u>	\$ <u>14,450,871</u>	\$ <u>398</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 145,250	\$ 145,250	\$ -
Due to other funds	16	1,748,838	1,748,814	40
Due to other governments	-	12,026,959	12,026,728	231
Payroll taxes, withholdings, and employee benefits	-	530,206	530,079	127
	\$ <u>16</u>	\$ <u>14,451,253</u>	\$ <u>14,450,871</u>	\$ <u>398</u>

LINCOLN CHARTER TOWNSHIP

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
GENERAL GOVERNMENT:			
Township trustees:			
Wages	\$ 16,480	\$ 16,480	\$ -
Employee benefits	3,805	3,778	(27)
	<u>20,285</u>	<u>20,258</u>	<u>(27)</u>
Supervisor:			
Wages	33,255	30,637	(2,618)
Employee benefits	17,675	17,659	(16)
Supplies and postage	350	283	(67)
Contractual services	-	600	600
Vehicle and mileage	1,640	999	(641)
Repairs and maintenance	1,500	1,241	(259)
Conferences and workshops	1,800	2,177	377
Capital outlay	-	1,296	1,296
Miscellaneous	800	886	86
	<u>57,020</u>	<u>55,778</u>	<u>(1,242)</u>
Assessor:			
Wages	80,800	75,909	(4,891)
Employee benefits	34,025	27,900	(6,125)
Supplies and postage	5,250	6,000	750
Contractual services	2,800	5,487	2,687
Vehicle and mileage	1,200	115	(1,085)
Legal and professional fees	1,000	5,202	4,202
Conferences and workshops	6,500	3,893	(2,607)
Capital outlay	9,000	9,560	560
Miscellaneous	1,880	1,273	(607)
	<u>142,455</u>	<u>135,339</u>	<u>(7,116)</u>
Clerk:			
Wages	62,605	54,276	(8,329)
Employee benefits	28,295	28,023	(272)
Supplies and postage	3,620	1,034	(2,586)
Contractual services	1,840	455	(1,385)
Vehicle and mileage	40	22	(18)
Conferences and workshops	2,500	1,045	(1,455)
Capital outlay	-	2,867	2,867
Miscellaneous	200	220	20
	<u>99,100</u>	<u>87,942</u>	<u>(11,158)</u>

LINCOLN CHARTER TOWNSHIP

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
GENERAL GOVERNMENT - CONTINUED:			
Treasurer:			
Wages	\$ 42,655	\$ 37,110	\$ (5,545)
Employee benefits	16,455	18,420	1,965
Computer service	17,600	18,830	1,230
Legal and professional	1,000	756	(244)
Contractual services	300	867	567
Supplies and postage	5,350	6,282	932
Vehicle and mileage	800	942	142
Conferences and workshops	1,700	2,110	410
Capital outlay	1,500	2,592	1,092
Miscellaneous	3,100	2,359	(741)
	<u>90,460</u>	<u>90,268</u>	<u>(192)</u>
Elections:			
Wages	6,050	6,236	186
Employee benefits	-	220	220
Supplies and postage	3,500	2,764	(736)
Conferences and workshops	50	-	(50)
Miscellaneous	400	413	13
	<u>10,000</u>	<u>9,633</u>	<u>(367)</u>
Board of Review:			
Wages	1,200	650	(550)
Employee benefits	95	50	(45)
Conferences and workshops	225	-	(225)
Miscellaneous	375	381	6
	<u>1,895</u>	<u>1,081</u>	<u>(814)</u>

LINCOLN CHARTER TOWNSHIP

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
GENERAL GOVERNMENT - CONCLUDED:			
General and Administrative:			
Wages	\$ 51,835	\$ 52,960	\$ 1,125
Employee benefits	13,270	12,909	(361)
Supplies and postage	15,600	11,906	(3,694)
Contractual services	11,855	13,380	1,525
Repairs and maintenance	4,305	4,065	(240)
Conferences and workshops	2,100	670	(1,430)
Legal and professional fees	54,320	51,515	(2,805)
Insurance	25,540	25,470	(70)
Community promotions	21,735	20,088	(1,647)
Telephone	7,400	6,641	(759)
Printing and publishing	20,665	23,028	2,363
Dues and subscriptions	3,895	3,766	(129)
Capital outlay	8,485	8,882	397
Miscellaneous	8,250	1,180	(7,070)
	<u>249,255</u>	<u>236,460</u>	<u>(12,795)</u>
Township Maintenance:			
Wages	20,860	17,399	(3,461)
Employee benefits	13,720	12,074	(1,646)
Supplies and postage	4,980	4,400	(580)
Contractual services	435	803	368
Vehicle and mileage	820	1,231	411
Utilities	9,790	4,698	(5,092)
Repairs and maintenance	28,880	30,171	1,291
Capital outlay	150	-	(150)
	<u>79,635</u>	<u>70,776</u>	<u>(8,859)</u>
Planning and Zoning:			
Wages	11,360	8,194	(3,166)
Employee benefits	870	772	(98)
Office supplies and postage	75	184	109
Contractual services	1,000	444	(556)
Legal fees	25,210	27,490	2,280
Printing and publishing	3,000	2,776	(224)
Conferences and workshops	1,500	235	(1,265)
Capital outlay	-	403	403
Miscellaneous	375	355	(20)
	<u>43,390</u>	<u>40,853</u>	<u>(2,537)</u>
TOTAL GENERAL GOVERNMENT	<u>793,495</u>	<u>748,388</u>	<u>(45,107)</u>

LINCOLN CHARTER TOWNSHIP

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONCLUDED

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
PUBLIC SAFETY:			
Fire Department:			
Wages	\$ 62,855	\$ 42,076	\$ (20,779)
Employee benefits	6,975	8,380	1,405
Operating supplies	14,115	27,801	13,686
Contractual services	420	986	566
Insurance	20,620	18,532	(2,088)
Professional fees	1,925	-	(1,925)
Repairs and maintenance	16,880	9,719	(7,161)
Conferences and workshops	250	459	209
Training and instruction	2,620	560	(2,060)
Utilities	11,945	10,016	(1,929)
Office supplies and postage	-	270	270
Vehicle and mileage	1,245	818	(427)
Capital outlay	26,000	21,206	(4,794)
Miscellaneous	8,695	386	(8,309)
TOTAL PUBLIC SAFETY	<u>174,545</u>	<u>141,209</u>	<u>(33,336)</u>
HIGHWAYS AND STREETS:			
Drains	23,000	15,467	(7,533)
Roads and bridges	36,745	36,258	(487)
Street lighting	45,000	35,408	(9,592)
TOTAL HIGHWAYS AND STREETS	<u>104,745</u>	<u>87,133</u>	<u>(17,612)</u>
SANITATION AND HEALTH:			
Ambulance subsidy	<u>70,060</u>	<u>76,736</u>	<u>6,676</u>
TOTAL EXPENDITURES	<u>\$ 1,142,845</u>	<u>\$ 1,053,466</u>	<u>\$ (89,379)</u>

LINCOLN CHARTER TOWNSHIP
GENERAL LONG-TERM DEBT - 1997 UNLIMITED TAX GENERAL
OBLIGATION FIRE STATION BONDS
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

March 31, 2004

Year Ending March 31,	<u>Principal</u> <u>May 1</u>	<u>Interest Requirements</u> <u>May 1</u>	<u>November 1</u>	<u>Total</u> <u>Interest</u>	<u>Total</u> <u>Requirements</u>
2005	\$ 75,000	\$ 23,150	\$ 21,425	\$ 44,575	\$ 119,575
2006	75,000	21,425	19,662	41,087	116,087
2007	75,000	19,662	17,862	37,524	112,524
2008	100,000	17,862	15,412	33,274	133,274
2009	100,000	15,412	12,913	28,325	128,325
2010	100,000	12,913	10,413	23,326	123,326
2011	125,000	10,413	7,225	17,638	142,638
2012	125,000	7,225	3,975	11,200	136,200
2013	150,000	3,975	-	3,975	153,975
	<u>\$ 925,000</u>	<u>\$ 132,037</u>	<u>\$ 108,887</u>	<u>\$ 240,924</u>	<u>\$ 1,165,924</u>

LINCOLN CHARTER TOWNSHIP
GENERAL LONG-TERM DEBT - 1999 UNLIMITED TAX GENERAL
OBLIGATION LIBRARY BONDS
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

March 31, 2004

Year Ending March 31,	<u>Principal</u> <u>May 1</u>	<u>Interest Requirements</u> <u>May 1</u>	<u>November 1</u>	<u>Total</u> <u>Interest</u>	<u>Total</u> <u>Requirements</u>
2005	\$ 125,000	\$ 49,416	\$ 46,837	\$ 96,253	\$ 221,253
2006	150,000	46,838	43,743	90,581	240,581
2007	150,000	43,744	40,744	84,488	234,488
2008	175,000	40,744	37,156	77,900	252,900
2009	200,000	37,156	33,006	70,162	270,162
2010	200,000	33,006	28,806	61,812	261,812
2011	225,000	28,806	23,969	52,775	277,775
2012	250,000	23,969	18,594	42,563	292,563
2013	250,000	18,594	13,281	31,875	281,875
2014	300,000	13,281	6,906	20,187	320,187
2015	325,000	6,906	-	6,906	331,906
	<u>\$ 2,350,000</u>	<u>\$ 342,460</u>	<u>\$ 293,042</u>	<u>\$ 635,502</u>	<u>\$ 2,985,502</u>